

1926

NINETY-FOURTH
ANNUAL REPORT



YEAR ENDED
DECEMBER 31, 1926

STRAWBOARDS

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ANNUAL REPORT



YEAR ENDED
DECEMBER 31, 1926

DIRECTORS

LOUIS M. ATHERTON, Swampscott, Mass.
WALTER C. BAYLIES, Boston, Mass.
FRANK P. CARPENTER, Manchester, N. H.
T. JEFFERSON COOLIDGE, Manchester, Mass.
WILLIAM DEXTER, Boston, Mass.
HARRY H. DUDLEY, Concord, N. H.
REGINALD FOSTER, Manchester, Mass.
GEORGE HANNAUER, Boston, Mass.
ERNEST MARTIN HOPKINS, Hanover, N. H.
ALBA M. IDE, Troy, N. Y.
LOUIS K. LIGGETT, Newton, Mass.

HOMER LORING, Boston, Mass.
GEORGE von L. MEYER, Hamilton, Mass.
ROGER PIERCE, Milton, Mass.
WALTER M. PARKER, Manchester, N. H.
W. RODMAN PEABODY, Milton, Mass.
THOMAS NELSON PERKINS, Westwood, Mass.
WILLIAM B. SKELTON, Lewiston, Me.
FRANK D. TRUE, Portland, Me.
JAMES DUNCAN UPHAM, Claremont, N. H.
WILLIAM D. WOOLSON, Springfield, Vt.

OFFICERS

HOMER LORING, Chairman.
GEORGE HANNAUER, President.
A. B. NICHOLS, Clerk of Corporation.
WM. J. HOBBS, Vice-President.
H. R. WHEELER, Treasurer.
W. S. TROWBRIDGE, Comptroller.
B. R. POLLOCK, Vice-President and General Manager.
D. S. BRIGHAM, Assistant General Manager.
S. E. MILLER, General Superintendent.
W. O. FORMAN, Mechanical Superintendent.
W. J. BACKES, Engineer Maintenance of Way.
GERRIT FORT, Vice-President.
H. F. FRITCH, Passenger Traffic Manager.
W. O. WRIGHT, General Passenger Agent.
J. R. MACANANNY, General Freight Agent.
P. J. MULLANEY, General Freight Agent.
A. P. MACKINNON, General Solicitor.
F. C. SHEPHERD, Chief Construction Engineer.
A. W. MUNSTER, Purchasing Agent.

To the Stockholders of the Boston and Maine Railroad:

	1926	Increase or Decrease
Operating Revenues.....	\$81,625,375 84	\$3,387 66
Operating Expenses.....	62,355,455 67	632,007 34
Net Revenue from Operation.....	\$19,269,920 17	\$628,619 68
Railway Tax Accruals.....	\$3,079,050 49	108,834 13
Uncollectible Revenues.....	13,029 61	5,608 84
Railway Operating Income.....	\$16,177,840 07	\$743,062 65
Equipment and Jt. Fac. Rents—Net <i>Dr.</i>	3,336,736 91	309,774 87
Net Operating Income.....	\$12,841,103 16	\$433,287 78
Non-operating Income:		
Rental Income.....	\$512,505 71	\$200,725 14
Income from Securities.....	1,334,502 67	700,925 74
Other.....	29,041 12	12,912 65
Gross Income.....	\$14,717,152 66	\$1,322,026 01
Deductions:		
Rental Payments.....	\$1,145,764 00	\$90,112 13
Interest on Debt.....	6,887,079 61	287,842 97
Other.....	279,230 29	31,891 02
Net Income.....	\$6,405,078 76	\$1,092,404 15
Equipment Installments.....	—	716,200 00
*Dividends.....	3,926,319 34	3,926,319 34
Balance.....	\$2,478,759 42	\$2,117,715 19

Italics indicate decrease.

* Includes 18 months dividends on all First Preferred stocks and 4 months dividend on full paid Prior Preference stock outstanding.

Steam mileage operated December 31, 1926 — 2,082.25, a decrease of 165.59 miles during the year.

OPERATING REVENUES

Freight

Freight revenues were \$51,813,304.72, an increase over the previous year of \$391,000. It should be remembered that on June 1, 1926, 104 miles of road were leased to the Canadian Pacific Railway. Making allowance for the freight earnings of the leased line, freight revenues increased approximately \$850,000. The principal increase was in anthracite coal, due to the coal strike the previous year.

Ton mile earnings were 1.706 cents compared with 1.74 cents in 1925. The decrease was due to the anthracite coal, which moves at a ton mile rate much lower than the average.

Freight from our western connections increased 9.3%, the direct result of energetic solicitation by our branch offices in Chicago, Pittsburgh, St. Louis, Kansas City, Memphis, Cleveland, Seattle, San Francisco, Philadelphia, New York, Buffalo and Detroit. Cars loaded on our lines showed no increase, a reflection of industrial conditions in northern New England.

Passenger

Passenger revenues decreased \$155,000. An adjustment for the 104 miles leased to the Canadian Pacific Railway changes this result to a \$75,000 increase. In 1924 the decrease in passenger revenues was \$1,600,000; in 1925 the decrease was \$1,500,000. Evidently the decline has been checked.

Faster and better passenger train service is bringing back some of the business lost in previous years to private automobiles and the motor busses.

Other Revenues

Of the decrease of \$257,000 in mail, express and milk revenues, \$154,000 was caused by the reduction in miles operated. Some large adjustments in express revenues account for most of the balance.

NON-OPERATING INCOME

Of the increase of \$888,000 in this account, \$170,000 was rental from the Canadian Pacific lease, \$307,000 from extraordinary dividends received from subsidiary roads and \$392,000 from income from investments.

OPERATING EXPENSES

Maintenance of Way and Structures

Of the increase in this account, \$513,000 was for removing snow due to a severe winter, and \$267,000 was expended for stone and gravel ballast. 1,058,000 ties were renewed, a normal number. 16,505 tons of new rail were laid, about the same amount as in the previous year. 860,000 tie plates were used. The tracks and roadbed were not only well maintained but were substantially improved.

Maintenance of Equipment

The reduction in this account of \$704,000 was due to reduced track mileage operated and to improved shop operation. On December 31, locomotives awaiting repairs were 30, a normal number for this road, and bad order cars were 1,792, a low figure for this time of year.

Traffic

The increase of \$94,000 in this account was due to the expense of additional soliciting offices and to an advertising program in connection with passenger service.

Transportation

The reduction in this item of \$708,000 was due to reduced mileage and to a substantial reduction in the amount of coal used. Claims paid for injuries to persons increased \$47,000.

General Expenses

The reduction of \$68,700 was due to decrease in clerical forces made possible by the new office building. Legal expenses increased because of extra charges in connection with the financial reorganization.

DEDUCTIONS FROM GROSS INCOME

Hire of freight cars increased \$314,000. Interest on unfunded debt increased \$312,000, mostly due to interest on partial payments on Prior Preference stock subscriptions.

OPERATING RATIOS

	1926	1925	Increase or Decrease
Maintenance of Way and Structures.....	13.47%	12.55%	.92
Maintenance of Equipment.....	18.61%	19.47%	.86
Traffic.....	1.09%	.98%	.11
Transportation.....	39.38%	40.25%	.87
Miscellaneous Operations.....	.36%	.35%	.01
General.....	3.48%	3.56%	.08
Railway Operating Expenses.....	76.39%	77.16%	.77

OPERATING EFFICIENCY

The following operating records were made; and are the best figures in the history of the road.

	1926	1925	1924
Average net tons per train.....	544	507	486
Average car speed per day.....	21.4	21.1	19
Gross tons per train.....	1,334	1,247	1,185
Gross ton miles per train hour.....	14,159	13,596	12,575
Pounds coal per 1,000 gross ton miles.....	140	148	153
Net ton miles per car day.....	311	304	276

PROFIT AND LOSS ACCOUNT

Since 1898 the Road has owned \$1,172,000 First Mortgage bonds of The St. Johnsbury & Lake Champlain Railroad Co. on which no interest ever has been paid. During the year these bonds were sold to the American Trust Company, trustee under the mortgage, and the loss, \$1,142,000, has been charged off.

The 1,328 shares of capital stock of the Franklin & Tilton Railroad, and the 1,750 shares of capital stock of the Lake Champlain & St. Lawrence Junction Railway were acquired through the merger of the Concord and Montreal Railroad. These stocks have no value and were charged off.

Various branches abandoned during the year caused charges to Profit and Loss of \$220,100. The North Station has been abandoned for company offices and \$900,000 of the book value was charged off during the year.

ADDITIONS AND BETTERMENTS

Additions and betterments to the property amounted to \$5,344,000. The largest items were \$447,000 for automatic train control, \$296,000 for gasoline motor rail cars, \$183,000 for ballast, \$274,000 for new boiler shop, \$409,000 for new coal handling plant at Boston, \$804,000 expended on Boston Terminal facilities, \$309,000 for new classification yard at White River Junction, Vt., \$252,000 on account of new office building at Cambridge, \$83,000 on Hoosac Tunnel, \$70,000 on engine terminal at Westboro, N. H. *The above figures are not total costs but only the proportion of the cost charged to capital during the year.*

EQUIPMENT

110 locomotives were retired during the year. None was purchased. A trial Diesel locomotive of a new type, not manufactured in this country, has been ordered from the Krupp Company of Germany. If successful, such locomotives will produce a large saving.

536 freight cars, 40 passenger cars and 135 work cars were retired during the year. It was not necessary to replace them.

GASOLINE RAIL CARS

During the year 10 additional gasoline cars were purchased at a cost of about \$40,000 each, making a total of 23 owned. These cars have been used to improve service on main as well as branch lines. For example, daily main line service is being given between Boston and Lawrence, Boston and Portsmouth, Boston and Northampton and Concord and White River Junction.

BALLAST

New England soil through which the railroad runs is mixed with gravel and sand and furnishes fair natural drainage. For this and financial reasons but little track has been ballasted in many years, resulting in worn out ballast and increased maintenance cost. Additional ballast is now necessary. A program has been started which will reballast all main lines by 1933. 49.16 miles of track were stone ballasted and 12.94 miles gravel ballasted in 1926 at a total cost of \$451,000.

TERMINAL FACILITIES AT BOSTON

These freight and passenger terminals were once owned and operated separately by the Eastern Railroad, Boston & Lowell Railroad, Fitchburg Railroad and the Boston and Maine Railroad. As the first three were absorbed by the Boston and Maine Railroad, the terminals of each were added to the Boston and Maine facilities, but unification was not attempted. The result was expensive, inefficient, inadequate facilities covering 900 acres of land and

water with an assessed valuation of \$29,650,000, on which annual taxes amounting to \$936,000 are paid.

The betterment of these terminals presents many intricate and difficult problems. In March, 1926, consulting engineers were employed to assist the railroad engineers in designing comprehensive improvements which would result in better service at a lower operating cost. The plan decided upon provides for a new consolidated freight house at East Cambridge for the Southern and Fitchburg divisions, and with track, yard and bridge changes the cost will approximate \$2,200,000. This part of the plan will be completed June 1, 1927.

Other comprehensive changes in freight yard facilities will be completed by the end of 1927.

TERMINAL IMPROVEMENTS AT WHITE RIVER JUNCTION

More cars pass through this terminal daily than through any other on the railway except Mechanicville and Boston. The facilities have been inadequate with consequent high cost of operation. A modern yard is being constructed at an estimated cost of \$600,000. White River Junction is the point of interchange with the Canadian National Railways; and in the future Canadian Pacific freight interchange will be made at this point. The new yards will improve service and substantially reduce operating cost.

BOILER SHOP AT BILLERICA

A new boiler shop at Billerica has just been completed. This will enable the separation of the boiler work from the main shop and will reduce the payrolls at this point about \$90,000.

HOOSAC TUNNEL

This double track tunnel, nearly five miles long, was completed in 1875. Within the last few years the largest automobile and furniture cars have outgrown the capacity of the tunnel and have been detoured at considerable expense and with loss of time. During 1926 the tunnel was enlarged by making changes in the arch and by lowering the roadbed. The cost of this improvement was \$198,000.

NEW OFFICE BUILDING

The new office building at East Cambridge was completed during the year. It is eight stories high, of concrete fireproof construction, and houses 1,600 employees. In the basement a restaurant is run at cost. Through the use of this modern building, a large saving in clerical expense has been accomplished.

FINANCIAL REORGANIZATION

On September 1, the reorganization was made effective. Under the plan \$40,490,000 bonds of various maturities were extended for 15 years. The interest rate for the extended period is 5% and in addition certain convertible privileges were given. Of the \$13,000,000 of Prior Preference stock provided, stockholders subscribed for \$11,699,776 at 100; \$1,300,224 was sold at public auction at an average of 102¾. The proceeds of this stock will furnish funds for improvements required during the next four years. The reorganization has placed your company in a very strong financial condition.

The Directors take this opportunity to call attention again to the invaluable assistance of the members of the General Re-adjustment Committee, and particularly of the Reorganization Managers, Messrs. Kidder, Peabody & Co., Lee Higginson & Co., and Harris Forbes & Co.; all of whom contributed their services.

On December 31, cash on hand was \$7,085,712. After payment of interest and dividends, cash on hand January 15, was \$3,515,899.

\$5,352,761 additional will be received by September 1, 1929, from instalments on Prior Preference stock subscribed for by stockholders.

Investments on December 31, amounted to \$15,067,845. Of this amount \$10,528,262 were in United States Government, State and Municipal bonds and notes, and \$2,648,425 were in Boston and Maine R. R. securities.

CANADIAN PACIFIC LEASE

On June 1, 1926, the lines from Wells River to Newport, Vt., and Sherbrooke, Que., 104 miles in length, were turned over to the Canadian Pacific Railway under a 30-year lease, providing for payment of 6% on the valuation and taxes. It is believed that this arrangement will be of advantage to both roads.

TRUCK AND BUS COMPETITION

Truck competition continues to reduce local traffic. The principal cause is rates lower than the railroad can economically charge. To regain this lost traffic the railroad must greatly improve service. Store-door delivery is slowly gaining. Freight container service was started during the year between Boston and Worcester and Boston and Springfield. The results are promising. The railroad is in the business of providing transportation—not exclusively rail transportation. If the convenience of shippers requires service by truck, the railroad should provide it. If store-door delivery is advantageous, the railroad should see that its customers have it. The traffic lost to the trucks will be regained only by the railroad aggressively providing a service which will meet the needs of all.

Bus competition is somewhat less than a year ago. The regulating commissions of the New England states have shown an inclination to protect the railways in business rightfully theirs. The motor bus is rapidly finding a field as an auxiliary to railway passenger service.

BOSTON AND MAINE TRANSPORTATION COMPANY

The capital stock of this company is owned by the Boston and Maine Railroad. During the year the gross earnings from busses and trucks were \$439,000. The operation of busses by the railway is giving the public improved service and has saved the railway some expense. The general plowing of highways in winter has made possible the operation of trucks and busses all-year round.

LABOR COSTS

During the year there were no important wage increases until November, when arbitrators awarded the trainmen of eastern railroads 7½% increase, an annual cost to this road of \$530,000.

Another arbitrator appointed by the United States Board of Mediation has awarded the clerks and freight handlers an increase amounting to approximately \$700,000 a year. Other increases bring the March 4, total to \$1,750,000 a year. The management appreciates that this additional wage cost will make necessary even more efficient operation and *may force some increases in rates.*

FIRE INSURANCE

The daily use of a railway plant is so vital that the property loss from a fire might be but a small portion of the resulting actual money loss. So long as property is fully insured, there is the natural reluctance to make large expenditures for fire prevention.

Realizing this fact, on April 1 the road readjusted its fire insurance, reducing the amounts of policies from \$65,984,000 to \$26,704,000 and the annual premiums from \$310,600 to \$96,700. This resulted in the railroad assuming from 50% to 100% of the risk according to the use and value of particular property and the chances of loss.

The road continued to charge its operating accounts with approximately the same amounts for insurance as in previous years, the unexpended balance after payment of premiums and losses being added to an insurance reserve. At the same time there was organized an efficient Fire Prevention Bureau which is constantly studying the risks, and recommending sprinklers, fire resisting materials and other modern methods for preventing fires.

The result for the partial year of 1926 was satisfactory. On January 1 the earned insurance reserve fund amounted to \$109,569, and on February 8 the Directors added to this reserve \$100,000 from Profit and Loss surplus. Substantial progress was made in fire prevention. \$76,500 was expended for sprinkler systems at Fitchburg shop, Billerica shop, and freight house at South Lawrence, Mass.

Continuation of this prevention program for five years with a moderate expenditure each year should well protect all buildings essential to the continuous operation of the Railroad.

EMPLOYEE'S STOCK OWNERSHIP

During the year, 968 employees have become owners of Boston and Maine stock under an Employees Stock Subscription Plan which provides for purchase of 7% Prior Preference stock at 100, with payments in 44 monthly instalments.

LOCAL MANAGEMENT OF BRANCH LINES

During the year the management of the Montpelier & Wells River Railroad and Barre & Chelsea Railroad both in Vermont was turned over to local business interests. The results have been very satisfactory. For the year 1926 the net income of the two roads was \$81,723 compared with deficit of \$26,535 in 1925. This has been accomplished with the assistance of the employees, the communities served and the State authorities.

It has been a matter of satisfaction to find the extent to which the public has responded to improved freight and passenger service, to the electric lighting of passenger trains, the improvement in general facilities, and the establishment of service like the "Minute Man." Recognition of the need for adapting railroad operations to the changed conditions of modern transportation has brought a substantial measure of public support.

As a whole, the territory served by the Boston and Maine Railroad is not growing. The tons of freight moved in 1926 were about equal to those moved in 1915. The number of passengers carried in 1926 were about the same as the number carried in 1900. Extraordinary operating efficiency and strict economy will be absolutely necessary to continue satisfactory net earnings. For the first time in many years the railroad has ample funds for any improvements which will return substantial savings. The stockholders are to be congratulated for their courage and foresight in reorganizing the road and placing it in the necessary strong financial position.

Your Directors take pleasure in recording their appreciation of the loyal and able services rendered by both officers and employees.

By order of the Board of Directors.

HOMER LORING,
Chairman.

CONDENSED GENERAL BALANCE SHEET — Assets

	Dec. 31, 1926	Dec. 31, 1925
ROAD AND EQUIPMENT		
Investment in Road.....	\$159,750,083 25	\$157,913,380 39
Investment in Equipment*.....	53,865,817 90	53,748,203 91
<i>Total</i>	\$213,615,901 15	\$211,661,584 30
Improvements on Leased Railway Property†.....	8,279,923 31	7,770,999 07
Sinking Funds.....	3,022,805 27	2,887,585 32
Deposits in Lieu of Mortgaged Property Sold.....	93,990 18	116,280 14
Miscellaneous Physical Property.....	988,773 27	595,402 41
Investments in Affiliated Companies.....	4,006,596 03	5,391,047 45
Other Investments.....	12,362,201 37	4,314,606 75
<i>Total Investments</i>	\$242,370,190 58	\$232,737,505 44
CURRENT ASSETS		
Cash.....	\$6,440,092 19	\$4,448,319 70
Cash in Transit—Agents' Remittances.....	645,619 94	752,804 21
Time Drafts and Deposits.....	100,000 00	1,140,000 00
Special Deposits.....	575,857 15	7,383 34
Loans and Bills Receivable.....	434,516 26	2,480,529 17
Traffic and Car Service Balances Receivable.....	518,710 05	421,887 88
Net Balance Receivable from Agents and Conductors.....	873,493 37	916,876 35
Miscellaneous Accounts Receivable.....	2,719,481 33	2,463,421 23
Material and Supplies.....	6,972,467 95	6,664,664 38
Interest and Dividends Receivable.....	143,571 20	72,275 58
<i>Total Current Assets</i>	\$19,423,809 44	\$19,368,161 84
DEFERRED ASSETS		
Working Fund Advances.....	\$233,503 74	\$105,993 86
Insurance and Other Funds.....	32,723 75	12,723 75
Other Deferred Assets.....	788,278 58	789,027 45
<i>Total Deferred Assets</i>	\$1,054,506 07	\$907,745 06
UNADJUSTED DEBITS		
Insurance Premiums Paid in Advance.....	\$40,799 69	\$116,879 00
Discount on Funded Debt.....	487,203 36	506,219 42
Other Unadjusted Debits.....	859,365 18	352,015 16
Securities Issued or Assumed—Unpledged.....	2,648,425 50	38,900 00
<i>Total Unadjusted Debits</i>	\$4,035,793 73	\$1,014,013 58
<i>Grand Total</i>	\$266,884,299 82	\$254,027,425 92

* Includes \$12,703,385.21 representing equipment acquired under Equipment Trust Agreements but does not include equipment acquired from leased roads at inception of leases appraised at \$1,792,325.58.

† Does not include improvements on property of affiliated companies nor on leased roads when leases provide for current settlement.

CONDENSED GENERAL BALANCE SHEET — Liabilities

	Dec. 31, 1926	Dec. 31, 1925
CAPITAL STOCK		
Common Stock—395,051 Shares.....	\$39,505,100 00	\$39,505,100 00
Common Stock—Scrip.....	255 91	290 70
<i>Total Common Stock.....</i>	<i>\$39,505,355 91</i>	<i>\$39,505,390 70</i>
Preferred Stock—31,498 Shares.....	3,149,800 00	3,149,800 00
First Preferred Stock—388,179 Shares.....	38,817,900 00	38,817,900 00
Prior Preference Stock.....	7,647,238 45	—
<i>Total Capital Stock.....</i>	<i>\$89,120,294 36</i>	<i>\$81,473,090 70</i>
Premiums on Capital Stock.....	4,218,973 14	4,200,301 14
<i>Total Capital Stock and Premiums.....</i>	<i>\$93,339,267 50</i>	<i>\$85,673,391 84</i>
LONG TERM DEBT		
Funded Debt Unmatured.....	\$131,177,279 00	\$127,389,479 00
CURRENT LIABILITIES		
Traffic and Car Service Balances Payable.....	\$3,683,663 95	\$3,142,171 27
Audited Accounts and Wages Payable.....	3,485,393 31	2,590,177 28
Miscellaneous Accounts Payable.....	321,040 27	322,530 42
Interest Matured Unpaid.....	1,569,411 17	1,584,368 23
Dividends Matured Unpaid.....	2,684,277 86	17,134 00
Funded Debt Matured Unpaid.....	160,300 00	4,663,300 00
Unmatured Interest Accrued.....	933,968 99	905,981 46
Unmatured Rents Accrued.....	186,341 83	182,354 17
<i>Total Current Liabilities.....</i>	<i>\$13,024,397 38</i>	<i>\$13,408,016 83</i>
DEFERRED LIABILITIES		
Due to Leased Roads at Expiration of Leases.....	\$209,988 70	\$209,988 70
Other Deferred Liabilities.....	5,244 00	—
<i>Total Deferred Liabilities.....</i>	<i>\$215,232 70</i>	<i>\$209,988 70</i>
UNADJUSTED CREDITS		
Tax Liability.....	Dr. \$409,418 34	Dr. \$369,165 31
Premium on Funded Debt.....	57,645 11	84,540 09
Insurance and Casualty Reserves.....	248,801 89	—
Accrued Depreciation—Road.....	5,411 37	—
Accrued Depreciation—Equipment.....	16,052,307 82	14,715,410 88
Accrued Depreciation—Miscellaneous Physical Property.....	63,072 83	22,435 02
Other Unadjusted Credits.....	426,538 16	335,895 45
<i>Total Unadjusted Credits.....</i>	<i>\$16,444,358 84</i>	<i>\$14,789,116 13</i>
CORPORATE SURPLUS		
Additions to Property through Income since June 30, 1907.....	\$4,365,902 63	\$4,365,040 47
Funded Debt Retired through Income and Surplus.....	1,929,000 00	1,929,000 00
Sinking Fund Reserves.....	3,139,476 08	2,968,549 48
<i>Total Appropriated Surplus.....</i>	<i>\$9,434,378 71</i>	<i>\$9,262,589 95</i>
Profit and Loss—Balance.....	3,249,385 69	3,294,843 47
<i>Total Corporate Surplus.....</i>	<i>\$12,683,764 40</i>	<i>\$12,557,433 42</i>
<i>Grand Total.....</i>	<i>\$266,884,299 82</i>	<i>\$254,027,425 92</i>

BONDS GUARANTEED

The St. Johnsbury and Lake Champlain R.R. Co. First Mortgage 5% Bonds, due March 1, 1944.....	\$1,328,000 00
Concord & Claremont, N. H., R. R. First Mortgage 5% Bonds, due January 1, 1944.....	500,000 00
The Peterborough and Hillsborough R. R. First Mortgage 4½% Bonds due July 1, 1926, extended to July 1, 1931, owned by Boston and Maine Railroad.....	100,000 00
Portland Union Ry. Station Co. Sinking Fund 4% Bonds, due July 1, 1927–9, guaranteed jointly with Maine Central R. R. Co.	300,000 00
	\$2,228,000 00

INCOME ACCOUNT

	Year Ended December 31, 1926	Increase or Decrease
TRANSPORTATION REVENUE:		
Freight.....	\$51,813,304 72	\$391,012 32
Passenger.....	20,058,275 78	155,635 48
Excess Baggage.....	48,072 28	7,099 71
Mail.....	1,246,019 91	65,192 89
Express.....	2,995,351 97	130,949 04
Other Passenger Train.....	268,693 73	23,227 45
Milk.....	2,128,784 33	61,766 40
Switching.....	843,276 25	18,441 76
Special Service Train.....	102,145 12	371 83
Other Freight Train.....	47,510 79	6,067 95
<i>Total Transportation Revenue.....</i>	<i>\$79,551,434 88</i>	<i>\$17,734 13</i>
INCIDENTAL REVENUE:		
Dining and Buffet.....	\$148,944 33	\$23,199 89
Station and Train Privileges.....	310,942 64	3,149 62
Parcel Room.....	47,821 79	1,616 03
Storage—Freight.....	95,232 84	3,492 34
Storage—Baggage.....	16,599 31	1,892 60
Demurrage.....	497,352 30	16,982 42
Telegraph and Telephone.....	43,267 90	1,838 19
Grain Elevators.....	43,685 75	33,934 76
Power.....	30,756 57	417 25
Rents of Buildings and Other Property.....	389,671 49	1,506 65
Coal Discharging Plants.....	100,702 35	55,255 77
Miscellaneous.....	303,437 48	10,759 48
<i>Total Incidental Revenue.....</i>	<i>\$2,028,414 75</i>	<i>\$59,787 26</i>
Joint Facility—Cr.....	\$47,787 71	\$36,983 23
Joint Facility—Dr.....	2,261 50	1,682 24
<i>Total Joint Facility—Operating Revenue.....</i>	<i>\$45,526 21</i>	<i>\$38,665 47</i>
<i>Total Operating Revenues.....</i>	<i>\$81,625,375 84</i>	<i>\$8,387 66</i>
OPERATING EXPENSES:		
Maintenance of Way and Structures.....	\$10,998,090 45	\$756,403 27
Maintenance of Equipment.....	15,189,191 41	704,800 19
Traffic.....	893,999 33	94,854 43
Transportation.....	32,148,846 43	708,991 48
Miscellaneous Operations.....	290,193 69	229 14
General.....	2,838,019 04	68,718 33
Transportation for Investment—Cr.....	2,884 68	525 90
<i>Total Operating Expenses.....</i>	<i>\$62,355,455 67</i>	<i>\$632,007 34</i>
<i>Operating Ratio.....</i>	<i>(76.39%)</i>	<i>(0.77)</i>
<i>Net Operating Revenue.....</i>	<i>\$19,269,920 17</i>	<i>\$628,619 68</i>
TAX ACCRUALS.....	\$3,079,050 49	\$108,834 13
UNCOLLECTIBLE RAILWAY REVENUES.....	13,029 61	5,608 84
<i>Total.....</i>	<i>\$3,092,080 10</i>	<i>\$114,442 97</i>
<i>Operating Income (carried forward).....</i>	<i>\$16,177,840 07</i>	<i>\$743,062 65</i>

Italics indicate decrease.

INCOME ACCOUNT—*Concluded*

	Year Ended December 31, 1926	Increase or Decrease
<i>Operating Income (brought forward)</i>	\$16,177,840 07	\$743,062 65
Rent from Locomotives	86,962 31	15,018 18
Rent from Passenger Train Cars	367,359 61	23,626 67
Rent from Work Equipment	45,025 11	10,525 62
Joint Facility Rent Income	111,327 98	23,192 36
<i>Total</i>	\$16,788,515 08	\$769,040 76
Hire of Freight Cars—Debit Balance	\$3,183,318 45	\$314,927 95
Rent for Locomotives	13,104 27	31,735 23
Rent for Passenger Train Cars	418,713 93	47,889 05
Rent for Work Equipment	242 10	200 25
Joint Facility Rents	332,033 17	4,871 46
<i>Total</i>	\$3,947,411 92	\$335,752 98
<i>Net Railway Operating Income</i>	\$12,841,103 16	\$433,287 78
OTHER INCOME:		
Income from Lease of Road	\$188,067 34	\$170,067 34
Miscellaneous Rent Income	290,115 25	5,778 96
Miscellaneous Nonoperating Physical Property	34,323 12	24,878 84
Dividend Income	500,684 28	307,709 28
Income from Funded Securities	415,526 34	361,656 31
Income from Unfunded Securities and Accounts	406,443 19	31,374 12
Income from Sinking and Other Reserve Funds	11,848 86	186 03
Release of Premiums on Funded Debt	25,935 95	7,834 88
Miscellaneous Income	3,105 17	5,077 77
<i>Total Other Income</i>	\$1,876,049 50	\$888,738 23
<i>Total Income</i>	\$14,717,152 66	\$1,322,026 01
OTHER DEDUCTIONS FROM INCOME:		
Rent for Leased Roads	\$1,139,132 14	\$90,218 75
Miscellaneous Rents	6,631 86	106 62
Separately Operated Properties—Loss	20,000 00	20,000 00
Interest on Funded Debt*	6,569,495 22	24,585 28
Interest on Unfunded Debt	317,584 39	312,428 25
Amortization of Discount on Funded Debt	85,904 78	—
Miscellaneous Income Charges	5,000 00	200 00
<i>Total Other Deductions</i>	\$8,143,748 39	\$217,530 84
<i>Net Income</i>	\$6,573,404 27	\$1,104,495 17
DISPOSITION OF NET INCOME:		
Income Applied to Sinking Funds	\$168,325 51	\$12,091 02
Dividend Appropriations of Income	3,926,319 34	3,926,319 34
Equipment Trust Installments	—	716,200 00
<i>Total Appropriations of Net Income</i>	\$4,094,644 85	\$3,222,210 36
<i>Balance Transferred to Profit and Loss</i>	\$2,478,759 42	\$2,117,715 19

* Interest amounting to \$125,839.99 for 1926 and \$116,424.16 for 1925 accrued on bonds held in Sinking Funds is included in account "Income Applied to Sinking Funds."
Italics indicate decrease.

OPERATING EXPENSES

	Year Ended December 31, 1926	Increase or Decrease
MAINTENANCE OF WAY AND STRUCTURES		
Superintendence	\$592,305 43	\$2,540 62
Roadway Maintenance	579,548 76	82,481 82
Tunnels and Subways	12,772 28	5,600 17
Bridges, Trestles and Culverts	458,539 30	12,094 63
Ties	1,700,933 04	64,939 14
Rails	333,213 09	322,508 44
Other Track Material	551,430 74	40,715 59
Ballast	36,857 38	52,309 06
Track Laying and Surfacing	2,717,512 55	350,440 77
Right-of-Way Fences	53,460 01	3,419 96
Snow and Sand Fences and Snowsheds	2,090 76	1,465 45
Crossings and Signs	402,216 99	27,084 62
Station and Office Buildings	550,229 73	53,659 10
Roadway Buildings	46,096 98	6,505 98
Water Stations	81,744 85	16,849 68
Fuel Stations	91,219 42	1,828 75
Shops and Enginehouses	372,376 21	45,581 81
Grain Elevators	33,000 18	19,761 08
Storage Warehouses	394 49	139 70
Wharves and Docks	25,745 93	24,872 21
Coal and Ore Wharves	54,604 77	45,053 96
Gas Producing Plants	9,222 42	7,648 51
Telegraph and Telephone Lines	69,544 96	14,203 12
Signals and Interlockers	613,211 75	13,061 48
Power Plant Buildings	4,134 05	2,064 47
Power Substation Buildings	227 70	95 36
Power Transmission Systems	4,769 54	450 10
Power Distribution Systems	35,120 06	5,655 26
Power Line Poles and Fixtures	5,392 98	162 85
Miscellaneous Structures	15,770 18	9,183 40
Paving	—	1,633 38
Roadway Machines	63,891 85	5,731 43
Small Tools and Supplies	133,526 78	21,909 03
Removing Snow, Ice and Sand	895,818 40	513,534 95
Assessments for Public Improvements	192 78	425 91
Injuries to Persons	66,998 18	14,150 63
Insurance	149,929 07	12,274 35
Stationery and Printing	8,188 17	677 12
Other Expenses	147 71	143 40
Maintaining Joint Tracks, Yards and Other Facilities—Dr.	303,429 93	23,163 18
Maintaining Joint Tracks, Yards and Other Facilities—Cr.	77,718 95	15,557 68
<i>Total Maintenance of Way and Structures</i>	\$10,998,090 45	\$756,403 27
MAINTENANCE OF EQUIPMENT		
Superintendence	\$471,896 79	\$33,095 26
Shop Machinery	562,721 34	73,506 89
Power Plant Machinery	77,232 13	11,604 43
Power Substation Apparatus	1,544 65	1,073 25
Steam Locomotives—Repairs	6,701,839 86	610,201 38
Steam Locomotives—Depreciation	507,002 00	1,872 98
Steam Locomotives—Retirements	52,082 37	15,765 77
Other Locomotives—Repairs	73,418 03	2,155 89
Other Locomotives—Depreciation	11,468 52	1 28
Other Locomotives—Retirements	—	859 79
<i>Maintenance of Equipment (carried forward)</i>	\$8,459,205 69	\$642,210 62

Italics indicate decrease.

OPERATING EXPENSES—Continued

	Year Ended December 31, 1926	Increase or Decrease
MAINTENANCE OF EQUIPMENT—Concluded		
<i>Brought forward</i>	\$8,459,205 69	\$642,210 62
Freight-Train Cars—Repairs.....	3,228,819 43	10,273 19
Freight-Train Cars—Depreciation.....	674,012 05	7,286 66
Freight-Train Cars—Retirements.....	120,367 24	95,200 89
Passenger-Train Cars—Repairs.....	1,679,955 06	8,552 20
Passenger-Train Cars—Depreciation.....	246,971 99	11,326 61
Passenger-Train Cars—Retirements.....	21,716 19	10,053 10
Motor Equipment of Cars—Repairs.....	42,831 70	28,013 77
Motor Equipment of Cars—Depreciation.....	20,476 46	18,829 97
Motor Equipment of Cars—Retirements.....	304 53	493 43
Work Equipment—Repairs.....	320,550 25	21,232 25
Work Equipment—Depreciation.....	21,317 92	1,040 44
Work Equipment—Retirements.....	44,626 03	33,975 27
Miscellaneous Equipment—Repairs.....	5,228 48	232 58
Miscellaneous Equipment—Depreciation.....	2,466 00	1,820 68
Injuries to Persons.....	116,767 21	16,289 19
Insurance.....	85,054 98	8,826 72
Stationery and Printing.....	15,531 52	4,468 46
Other Expenses.....	8,046 39	7,356 54
Maintaining Joint Equipment at Terminals— <i>Dr.</i>	77,943 44	29,184 03
Maintaining Joint Equipment at Terminals— <i>Cr.</i>	3,001 15	219 51
<i>Total Maintenance of Equipment</i>	\$15,189,191 41	\$704,800 19
TRAFFIC		
Superintendence.....	\$409,966 43	\$3,093 82
Outside Agencies.....	239,469 40	50,819 21
Advertising.....	149,569 40	39,113 48
Traffic Associations.....	13,895 37	1,658 53
Industrial and Immigration Bureaus.....	3,366 62	3,366 62
Insurance.....	361 38	219 00
Stationery and Printing.....	77,296 38	2,836 20
Other Expenses.....	74 35	64 79
<i>Total Traffic</i>	\$893,999 33	\$94,854 43
TRANSPORTATION		
Superintendence.....	\$813,269 38	\$38,279 83
Dispatching Trains.....	224,320 98	22,103 50
Station Employees.....	5,434,463 92	262,246 61
Weighing, Inspection and Demurrage Bureaus.....	3,456 85	281 85
Station Supplies and Expenses.....	345,301 02	30,318 68
Yardmasters and Yard Clerks.....	911,125 49	34,199 66
Yard Conductors and Brakemen.....	2,137,241 01	75,796 94
Yard Switch and Signal Tenders.....	359,355 75	29,621 21
Yard Enginemen.....	1,267,394 81	28,347 98
Fuel for Yard Locomotives.....	997,894 63	30,033 26
Water for Yard Locomotives.....	22,950 47	2,107 49
Lubricants for Yard Locomotives.....	19,397 52	631 61
Other Supplies for Yard Locomotives.....	19,994 66	803 63
Enginehouse Expenses—Yard.....	401,304 14	22,741 29
Yard Supplies and Expenses.....	43,785 49	2,943 62
Operating Joint Yards and Terminals— <i>Dr.</i>	1,028,122 75	17,217 89
Operating Joint Yards and Terminals— <i>Cr.</i>	286,018 68	48,914 78
Train Enginemen.....	3,194,679 24	110,517 67
Train Motormen.....	123,205 12	35,451 72
Fuel for Train Locomotives.....	5,105,082 65	384,772 52
Train Power Produced.....	5,605 07	468 40
Train Power Purchased.....	131,844 10	2,474 27
<i>Transportation (carried forward)</i>	\$22,303,776 37	\$619,887 37

Italics indicate decrease.

OPERATING EXPENSES—*Concluded*

	Year Ended December 31, 1926	Increase or Decrease
TRANSPORTATION—<i>Concluded</i>		
<i>Brought forward</i>	\$22,303,776 37	\$619,887 37
Water for Train Locomotives.....	177,984 84	13,433 26
Lubricants for Train Locomotives.....	88,510 36	2,310 70
Other Supplies for Train Locomotives.....	98,406 95	3,124 53
Enginehouse Expenses—Train.....	1,347,731 09	29,081 29
Trainmen.....	4,161,546 51	115,209 65
Train Supplies and Expenses.....	1,026,693 39	91,233 90
Signal and Interlocker Operation.....	847,575 53	5,186 02
Crossing Protection.....	936,651 79	104,136 37
Drawbridge Operation.....	55,124 00	7,180 89
Telegraph and Telephone Operation.....	23,141 46	886 46
Stationery and Printing.....	192,886 21	1,433 05
Other Expenses.....	36,933 01	7,397 92
Operating Joint Tracks and Facilities— <i>Dr.</i>	33,216 51	2,400 60
Operating Joint Tracks and Facilities— <i>Cr.</i>	49,803 17	1,765 74
Insurance.....	49,934 63	15,412 34
Clearing Wrecks.....	82,126 55	20,670 38
Damage to Property.....	67,940 30	2,462 22
Damage to Live Stock on Right-of-Way.....	2,140 58	697 69
Loss and Damage—Freight.....	333,834 51	22,931 03
Loss and Damage—Baggage.....	4,422 85	2,300 08
Injuries to Persons.....	328,072 16	47,645 61
<i>Total Transportation</i>	\$32,148,846 43	\$708,991 48
MISCELLANEOUS OPERATIONS		
Dining and Buffet Service.....	\$167,630 59	\$40,263 48
Hotels and Restaurants.....	1,340 48	1,340 48
Grain Elevators.....	43,017 23	17,531 60
Producing Power Sold.....	15,905 23	2,613 75
Other Miscellaneous Operations.....	62,300 16	21,637 75
<i>Total Miscellaneous Operations</i>	\$290,193 69	\$229 14
GENERAL		
Salaries and Expenses of General Officers.....	\$167,979 94	\$46,515 75
Salaries and Expenses of Clerks and Attendants.....	1,715,127 97	147,104 34
General Office Supplies and Expenses.....	87,919 84	308 75
Law Expenses.....	261,346 84	79,886 91
Insurance.....	2,447 02	115 96
Pensions.....	279,655 56	24,722 81
Stationery and Printing.....	94,513 51	616 54
Valuation Expenses.....	58,043 91	8,639 82
Other Expenses.....	150,180 17	23,057 15
General Joint Facilities— <i>Dr.</i>	22,127 42	4,824 04
General Joint Facilities— <i>Cr.</i>	1,323 14	241 34
<i>Total General</i>	\$2,838,019 04	\$68,718 33
Transportation for Investment— <i>Cr.</i>	\$2,884 68	\$525 90
<i>Total Operating Expenses</i>	\$62,355,455 67	\$632,007 34
<i>Ratio to Total Operating Revenues</i>	(76.39%)	(0.77)

Italics indicate decrease.

Dr. **PROFIT AND LOSS ACCOUNT, DECEMBER 31, 1926** Cr.

Loss on Retired Road and Equipment.....	\$332,660 82	Balance, December 31, 1925.....	\$3,294,843 47
Premium on Prior Preference Stock.....	10,037 10	Credit Balance from Income Account for Year 1926.....	2,478,759 42
Premium on Boston and Maine Railroad 1935 Equipment Trust Notes.....	1,431 37	Adjustment on Road and Equipment Sold.....	
Par Value Adjustment of Investments by General Readjustment Committee.....	3,029 66	Miscellaneous.....	\$183,679 65
Adjustment of Miscellaneous Accounts.....	6,452 18	Eastern Mass. Elec. Co.....	127,000 00
To charge off difference between Ledger Value and Sale Price of \$1,172,000.00 Bonds of The St. Johnsbury and Lake Champlain Railroad Company.....	1,142,000 00	Difference between Cost and Par Value of Stock surrendered under Reorganization Plan.....	310,679 65
To charge off Ledger Value of 1,328 Shares of Capital Stock of Franklin & Tilton Railroad.....		Unrefundable Overcharges.....	38,371 20
To charge off Ledger Value of 1,750 Shares of Capital Stock of Lake Champlain & St. Lawrence Jet. Railway.....	132,800 00	Adjustment account of Estimated Salvage on Nashua & Acton Railroad, abandoned and charged to Profit and Loss in 1925.....	19,355 98
To charge off amount due from The St. Johnsbury and Lake Champlain Railroad Company for Advances, etc.....	66,795 31	Profit on Investment Securities matured during the year.....	34,433 91
To charge off Ledger Value less Estimated Salvage of following Branches, the abandonment of which has been authorized.....	46,400 00		34,648 50
Kennebunk and Kennebunkport Branch.....			
Chelsea Beach Branch.....	\$55,400 00		
Portions of Salem & Lowell and Lowell & Lawrence Branches around Tewksbury.....	18,000 00		
	220,100 00		
To charge off Estimated Ledger Value of that portion of the North Station which was abandoned in 1926.....	900,000 00		
Surplus appropriated for Insurance Reserve.....	100,000 00		
Balance, December 31, 1926.....	3,249,385 69		
	<u>\$6,211,092 13</u>	Balance to next year's account.....	<u>\$6,211,092 13</u>
			<u>\$3,249,385 69</u>

ADDITIONS AND BETTERMENTS

Year Ended December 31, 1926

ROAD

1	Engineering		\$126,787 71
2	Land for Transportation Purposes		309,708 11
3	Grading		392,673 18
5	Tunnels and Subways		62,961 53
6	Bridges, Trestles and Culverts		151,191 99
8	Ties		122,489 70
9	Rails		141,132 20
10	Other Track Material		287,201 50
11	Ballast		239,323 49
12	Track Laying and Surfacing		153,755 14
13	Right-of-Way Fences		2,823 84
15	Crossings and Signs		62,477 66
16	Station and Office Buildings		648,243 29
17	Roadway Buildings		405 05
18	Water Stations		18,430 90
19	Fuel Stations		58,056 62
20	Shops and Enginehouses		465,496 79
21	Grain Elevators	Cr.	989 53
23	Wharves and Docks	Cr.	1,488 53
24	Coal and Ore Wharves		386,841 69
25	Gas Producing Plants	Cr.	68 24
26	Telegraph and Telephone Lines		6,178 97
27	Signals and Interlockers		183,629 25
29	Power Plant Buildings		443 64
31	Power Transmission Systems		3,089 44
32	Power Distribution Systems		12,417 93
33	Power Line Poles and Fixtures		2,400 71
35	Miscellaneous Structures		1,007 38
37	Roadway Machines		88,561 32
38	Roadway Small Tools		8,218 80
39	Assessments for Public Improvements		770 80
41	Cost of Road Purchased	Cr.	405 00
44	Shop Machinery		146,095 09
45	Power Plant Machinery		3,922 69

EQUIPMENT

51	Steam Locomotives	\$552,162 24	
52	Other Locomotives	618 71	
53	Freight Train Cars	154,733 53	
54	Passenger Train Cars	209,878 40	
55	Motor Equipment of Cars	109,390 94	
57	Work Equipment	206,215 50	
58	Miscellaneous Equipment	4,642 90	
			1,237,642 22

GENERAL EXPENDITURES

71	Organization Expenses	\$22,655 14	
73	Law	72 63	
76	Interest during Construction	Cr. 41 14	22,686 63
<i>Total</i>			\$5,344,113 96

Credit:

Equipment Retired	\$1,080,344 01	
Land Sold and Property Retired	1,641,167 90	2,721,511 91
<i>Net Charge to Additions and Betterments</i>		\$2,622,602 05

Distributed as follows:

Charged to Capital Accounts	\$1,954,316 85	
Charged to Leased Roads	668,285 20	\$2,622,602 05

Note.—The above statement does not include \$40,077.13 credited to the improvement account of the Vermont Valley Railroad. This amount represents portion of amount collected from the Connecticut River Power Company for damage at Brattleboro by flood on or about March 20, 1920.

CAPITAL STOCK AND FUNDED DEBT OUTSTANDING DECEMBER 31, 1926

Owned Road

NAME OF ROAD AND DESCRIPTION			CAPITAL STOCK		
			Amount Outstanding	Dividend Rate	
Boston and Maine	Prior Preference.....		\$5,815,800 00	7%	
"	"	Subscriptions for Prior Preference.....	1,831,438 45		
"	"	First Preferred, Class A.....	18,860,000 00	5%	
"	"	" " " B.....	7,648,800 00	8%	
"	"	" " " C.....	7,917,100 00	7%	
"	"	" " " D.....	4,327,000 00	10%	
"	"	" " " E.....	65,000 00	4 1/2%	
"	"	Preferted.....	3,149,800 00	6%	
"	"	Common.....	39,505,355 91		
Total Capital Stock.....			\$89,120,294 36		

			FUNDED DEBT		
			Bonds Outstanding	Date of Maturity	Rate
Boston and Maine	General Mortgage	Series Q.....	\$477,000 00	Feb. 2, 1940	5 7/8%
"	"	Series R.....	3,605,000 00	May 1, 1940	5 5/8%
"	"	Series S.....	500,000 00	Sept. 1, 1940	5 5/8%
"	"	Series T.....	9,916,000 00	Sept. 1, 1941	4 5/8%-5 7/8%
"	"	Series U.....	500,000 00	Nov. 1, 1941	4 5/8%-5 7/8%
"	"	Fitchburg.....	391,000 00	Mar. 1, 1927	4 7/8%
"	"	Series V.....	2,359,000 00	Mar. 1, 1942	4 7/8%
"	"	Fitchburg.....	133,000 00	Apr. 1, 1927	4 7/8%
"	"	Series W.....	1,867,000 00	Apr. 1, 1942	4 7/8%
"	"	Boston & Lowell...	2,000 00	July 1, 1927	4 7/8%
"	"	Series X.....	323,000 00	July 1, 1942	4 7/8%
"	"	Fitchburg.....	87,000 00	Jan. 1, 1928	4 7/8%
"	"	Series Y.....	1,363,000 00	Jan. 1, 1943	4 7/8%
"	"	Fitchburg.....	94,000 00	May 1, 1928	4 7/8%
"	"	Series Z.....	2,306,000 00	May 1, 1943	4 7/8%
"	"	".....	1,318,000 00	Apr. 1, 1929	4 7/8%
"	"	Series AA.....	10,382,000 00	Apr. 1, 1944	4 7/8%
"	"	Boston & Lowell...	8,000 00	Apr. 1, 1929	4 7/8%
"	"	Series BB.....	342,000 00	Apr. 1, 1944	4 7/8%
"	"	W., N. & R. R.R....	45,000 00	Jan. 1, 1930	4 7/8%
"	"	Series CC.....	690,000 00	Jan. 1, 1945	4 7/8%
"	"	".....	574,000 00	June 1, 1930	6 7/8%
"	"	Series DD.....	3,268,000 00	June 1, 1945	6 7/8%
"	"	".....	54,000 00	Jan. 1, 1931	7 7/8%
"	"	Series EE.....	555,000 00	Jan. 1, 1946	7 7/8%
"	"	Fitchburg.....	9,000 00	Jan. 1, 1932	4 7/8%
"	"	Series FF.....	1,191,000 00	Jan. 1, 1947	4 7/8%
"	"	Boston & Lowell...	154,000 00	Apr. 1, 1932	4 7/8%
"	"	Series GG.....	846,000 00	Apr. 1, 1947	4 7/8%
"	"	Series C.....	*10,273,000 00	Jan. 1, 1929	6 7/8%
"	"	Series D.....	*15,677,000 00	Jan. 1, 1929	6 7/8%
"	"	Series G.....	*1,212,500 00	Jan. 1, 1929	6 7/8%
"	"	Series L.....	*1,030,000 00	Jan. 1, 1929	6 7/8%
"	"	Series N.....	*1,106,000 00	Jan. 1, 1929	6 7/8%
"	"	Series H.....	*5,443,979 00	Nov. 1, 1930	6 7/8%
"	"	Series J.....	*3,049,000 00	Oct. 1, 1931	6 7/8%
"	"	Series M.....	3,991,000 00	Jan. 1, 1933	6 7/8%
"	"	Fitchburg.....	400,000 00	Jan. 1, 1933	4 7/8%
"	"	Boston & Lowell...	1,000,000 00	Feb. 1, 1933	4 7/8%
"	"	Series O.....	*5,894,000 00	Jan. 1, 1934	6 7/8%
"	"	Fitchburg.....	1,872,000 00	Jan. 1, 1934	5 5/8%
"	"	W., N. & R. R.R....	380,000 00	Oct. 1, 1934	4 7/8%
"	"	".....	150,000 00	Jan. 1, 1935	4 7/8%
"	"	Series K.....	*5,000,000 00	Jan. 1, 1935	6 7/8%
"	"	Boston & Lowell...	1,250,000 00	Mar. 1, 1936	5 5/8%
"	"	Sinking Fd. Improvement.	1,919,000 00	Feb. 1, 1937	4 7/8%
"	"	Fitchburg.....	5,000,000 00	Feb. 1, 1937	4 7/8%
"	"	P., Gt. F. & C. R.R..	1,000,000 00	Jan. 1, 1937	4 7/8%
"	"	".....	2,500,000 00	Aug. 1, 1942	4 7/8%
"	"	Connecticut River..	1,000,000 00	Sept. 1, 1943	4 7/8%
"	"	".....	6,000,000 00	Jan. 1, 1944	4 7/8%
"	"	".....	5,454,000 00	July 1, 1950	3 7/8%
"	"	Equipment Trust of 1920 Gold Notes.....	4,087,800 00	Jan. 15, 1927-'35	6 7/8%
"	"	Equipment Trust of 1922 Gold Certificates.	1,331,000 00	Aug. 1, 1927-'37	5 1/2%
"	"	Equipment Trust No. 3 Gold Certificates..	1,692,000 00	June 1, 1927-'38	6 7/8%
"	"	Real Estate Mortgage (Assumed).....	100,000 00	Sept. 27, 1929	6 7/8%
"	"	Real Estate Mortgage (Assumed).....	6,000 00	Oct. 13, 1928	6 7/8%
Total Funded Debt.....			\$131,177,279 00		

* Owned by United States Government \$48,685,479.00.

CAPITAL STOCK AND FUNDED DEBT OUTSTANDING DECEMBER 31, 1926

Leased Roads

NAME OF ROAD AND DESCRIPTION	CAPITAL STOCK	
	Amount Outstanding	Dividend Rate
Nashua and Lowell	\$800,000 00	9%
Stony Brook	300,000 00	7%
Wilton	240,000 00	8 1/2%
Peterborough	385,000 00	4%
New Boston	84,000 00	4%
Concord and Portsmouth	350,000 00	7%
Pemigewasset Valley	541,500 00	6%
Northern	3,068,400 00	6%
Vermont and Massachusetts	3,193,000 00	6%
Troy & Bennington	150,800 00	10%
Connecticut and Passumpsic Rivers—Preferred	2,500,000 00	6%
Massawippi Valley	800,000 00	6%
<i>Total Capital Stock</i>	\$12,412,700 00	

FUNDED DEBT

	Bonds Outstanding	Date of Maturity	Rate
Peterborough and Hillsborough	First Mortgage \$100,000 00	July 1, 1931	4 1/2%
Newport & Richford	First Mortgage 350,000 00	Jan. 1, 1941	5%
Connecticut and Passumpsic Rivers	First Mortgage 1,900,000 00	Apr. 1, 1943	4%
Concord & Claremont, N. H.	First Mortgage 500,000 00	Jan. 1, 1944	5%
Vermont Valley	First Mortgage 1,500,000 00	Oct. 1, 1940	4 1/2%
Sullivan County	First Mortgage 357,000 00	Apr. 1, 1944	6%
<i>Total Funded Debt</i>	\$4,707,000 00		

MILES OF ROAD OPERATED, DECEMBER 31, 1926

	Owued	Leased	Total
STEAM ROADS			
Main Lines	1,041.06	230.54	1,271.60
Branch Lines	558.70	219.08	777.78
Trackage Rights		32.87	32.87
<i>Total Road Operated</i>	1,599.76	482.49	2,082.25
Second Track	501.17	A 128.76	629.93
Third Track	1.20	B 5.85	7.05
Side Tracks	1,087.71	210.81	1,298.52
<i>Total Track Operated</i>	3,189.84	827.91	4,017.75
ELECTRIC RAILWAYS (CONCORD, N. H.)			
Main Lines	28.71		28.71
Side Tracks	1.84		1.84
<i>Total</i>	30.55		30.55

A Includes trackage rights, 21.29 miles.

B Includes trackage rights, .99 mile.

CLASSIFICATION OF FREIGHT TRAFFIC

	Year Ended Dec. 31, 1926 Tons of 2000 lbs.	Per Cent of Total	Increase or Decrease in Tonnage
PRODUCTS OF AGRICULTURE:			
Wheat.....	116,063	.5	32,344
Corn.....	206,440	.8	2,655
Oats.....	197,965	.8	23,084
Other Grain.....	36,925	.2	41,688
Flour and Meal.....	382,105	1.6	24,007
Other Mill Products.....	556,024	2.3	46,769
Hay, Straw and Alfalfa.....	325,283	1.3	80,807
Tobacco.....	15,652	.1	6,072
Cotton.....	197,116	.8	42,627
Cotton Seed and Products, except Oil.....	23,061	.1	3,929
Citrus Fruits.....	69,979	.3	17,397
Other Fresh Fruits.....	175,535	.7	6,663
Potatoes.....	930,125	3.9	20,152
Other Fresh Vegetables.....	108,711	.4	9,899
Dried Fruits and Vegetables.....	18,541	.1	2,472
Other Products of Agriculture.....	113,158	.5	18,909
<i>Total.....</i>	<i>3,472,683</i>	<i>14.4</i>	<i>100,806</i>
PRODUCTS OF ANIMALS:			
Horses and Mules.....	4,495	.0	715
Cattle and Calves.....	39,824	.2	3,846
Sheep and Goats.....	2,134	.0	152
Hogs.....	17,540	.1	1,503
Fresh Meats.....	125,915	.5	1,232
Other Packing House Products.....	63,338	.3	10,686
Poultry.....	14,146	.0	812
Eggs.....	32,854	.1	1,386
Butter and Cheese.....	40,556	.2	3,929
Wool.....	93,379	.4	7,790
Hides and Leather.....	133,827	.5	7,097
Other Products of Animals.....	88,404	.4	12,679
<i>Total.....</i>	<i>656,412</i>	<i>2.7</i>	<i>26,583</i>
PRODUCTS OF MINES:			
Anthracite Coal.....	2,760,882	11.4	601,006
Bituminous Coal.....	2,656,050	11.0	186,208
Coke.....	242,724	1.0	1,433
Iron Ore.....	7,323	.0	2,164
Other Ores and Concentrates.....	17,143	.1	5,925
Clay, Gravel, Sand and Stone.....	908,189	3.8	14,427
Asphaltum.....	37,665	.2	10,588
Salt.....	97,402	.4	4,997
Other Products of Mines.....	89,196	.4	6,539
<i>Total.....</i>	<i>6,816,574</i>	<i>28.3</i>	<i>422,023</i>
PRODUCTS OF FORESTS:			
Logs, Posts, Poles and Cord Wood.....	148,322	.6	19,134
Ties.....	30,939	.1	2,347
Pulp Wood.....	461,139	1.9	9,243
Lumber, Timber, Box Shooks, Staves and Headings.....	1,792,125	7.4	204,468
Other Products of Forests.....	178,453	.8	11,294
<i>Total.....</i>	<i>2,610,978</i>	<i>10.8</i>	<i>167,144</i>
MANUFACTURES AND MISCELLANEOUS:			
Refined Petroleum and Its Products.....	1,101,196	4.6	42,232
Vegetable Oils.....	13,375	.0	187
Sugar, Sirup, Glucose and Molasses.....	240,325	1.0	16,179
Boats and Vessel Supplies.....	1,239	.0	354
Iron, Pig and Bloom.....	121,704	.5	11,868
Rails and Fastenings.....	18,363	.1	5,231
Bar and Sheet Iron, Structural Iron and Iron Pipe.....	338,531	1.4	18,775
Other Metals, Pig, Bar and Sheet.....	43,596	.2	9,323
Castings, Machinery and Boilers.....	195,352	.8	12,230
Cement.....	428,724	1.8	33,630
Brick and Artificial Stone.....	414,061	1.7	45,650
Lime and Plaster.....	177,808	.7	9,249
Sewer Pipe and Drain Tile.....	34,998	.1	3,335
Agricultural Implements and Vehicles other than Automobiles.....	20,582	.1	4,595
Automobiles and Auto Trucks.....	171,913	.7	2,339
Household Goods and Second-hand Furniture.....	3,262	.0	251
Furniture (new).....	42,430	.2	6,999
Beverages.....	19,174	.1	878
Ice.....	482,212	2.0	149,931
Fertilizers (all kinds).....	125,916	.5	324
Paper, Printed Matter and Books.....	981,373	4.1	80,043
Chemicals and Explosives.....	332,240	1.4	28,102
Textiles.....	124,151	.5	6,944
Canned Goods (all Canned Food Products).....	117,646	.5	606
Other Manufactures and Miscellaneous.....	3,299,356	13.7	57,683
<i>Total.....</i>	<i>8,849,527</i>	<i>36.7</i>	<i>162,967</i>
<i>Grand Total, Carload Traffic.....</i>	<i>22,406,174</i>	<i>92.9</i>	<i>551,235</i>
<i>Merchandise—All L. C. L. Freight.....</i>	<i>1,707,185</i>	<i>7.1</i>	<i>11,653</i>
<i>Grand Total, Carload and L. C. L. Traffic.....</i>	<i>24,113,359</i>	<i>100.0</i>	<i>539,582</i>

Italics indicate decrease.

TRAFFIC AND OPERATING STATISTICS

	Year Ended Dec. 31, 1926	Increase or Decrease
FREIGHT		
Tons of revenue freight carried	24,113,359	539,582
Tons of company freight carried	2,193,937	165,936
<i>Total tons of freight carried</i>	<i>26,307,296</i>	<i>705,518</i>
Tons of revenue freight carried one mile	3,037,191,609	81,306,400
Tons of company freight carried one mile	131,512,136	5,176,789
<i>Total tons of freight carried one mile</i>	<i>3,168,703,745</i>	<i>86,483,189</i>
AVERAGES		
Average miles hauled—revenue freight	125.95	.56
Average miles hauled—non-revenue freight	59.94	2.36
Average miles hauled—all freight	120.45	.06
Tons of revenue freight per revenue train mile (including mixed service)	521.21	34.04
Tons of all freight per revenue train mile (including mixed service)	543.78	35.79
*Tons of revenue freight per loaded car mile (including mixed service)	19.61	.33
*Tons of all freight per loaded car mile (including mixed service)	20.46	.33
Freight cars per revenue train mile (including mixed service)	37.46	2.06
*Loaded cars per revenue train mile (including mixed service)	26.59	1.29
*Empty cars per revenue train mile (including mixed service)	10.79	.70
Revenue per ton of freight	\$2.14874	\$.03259
Revenue per ton per mile	1.706	.034
Revenue per revenue train mile (including mixed service)	\$8.891	\$.416
*Freight revenue per loaded car mile (including mixed service)	33.462	.073
PASSENGER		
Passenger Revenue:		
Monthly Commutation Ticket Passengers	\$1,464,064 39	\$34,006 14
All other Commutation Ticket Passengers	2,559,717 22	52,945 75
Single Fare Ticket Passengers (not including interline)	10,427,327 76	190,043 66
Interline Ticket Passengers	5,089,047 62	130,483 20
Number of Passengers Carried:		
Monthly commutation ticket passengers	7,326,063	295,020
All other commutation ticket passengers	15,661,167	424,987
Single fare ticket passengers (not including interline)	11,000,722	497,190
Interline ticket passengers	1,764,191	78,821
<i>Total number of passengers carried</i>	<i>35,752,143</i>	<i>1,138,876</i>
Number of Passengers Carried one mile:		
Monthly commutation ticket passengers	148,583,684	2,576,324
All other commutation ticket passengers	136,355,333	2,647,648
Single fare ticket passengers (not including interline)	301,479,713	1,842,224
Interline ticket passengers	151,348,566	4,706,831
<i>Total number of passengers carried one mile</i>	<i>737,767,296</i>	<i>2,359,265</i>
Number of passengers to and from Boston, including monthly ticket passengers	25,698,932	302,122
AVERAGES		
Average distance carried per passenger (miles)	20.64	.58
Number of passengers per train mile (including mixed service)	78.62	2.71
Number of passengers per car mile (including mixed service)	21.88	.41
Number of cars per train mile (including mail, baggage and express cars) (including mixed service)	5.47	.11
Revenue per passenger	55.57	1.33
Revenue per passenger mile, monthly commutation ticket passengers	1.085	.006
Revenue per passenger mile, other commutation ticket passengers	1.877	.003
Revenue per passenger mile, single-fare not including interline	3.459	.043
Revenue per passenger mile, interline passengers	3.362	.019
Revenue per passenger mile, all passengers	2.693	.010
Passenger revenue per passenger car mile (including mixed service)	58.920	.869
Total passenger service train revenue per train mile (including mixed service)	\$2.830	\$.068
AVERAGES PER MILE OF ROAD		
Operating revenues	\$37,153 19	\$1,166 97
Operating expenses	28,386 00	622 77
Net operating revenue	\$8,767 19	\$544 20
Freight revenue	\$23,641 02	\$911 76
Passenger service train revenue	\$12,116 27	\$209 77
Ton miles revenue freight	1,393,118	86,580
Ton miles all freight	1,453,440	91,060
Passenger miles—revenue	338,404	11,259
Freight train miles	2,652	1
Passenger train miles	4,297	5
Mixed train miles	28	9
Special train miles	20	1
Train miles—total revenue	6,997	14
Work train miles	232	95
Locomotive miles—excluding work service	10,045	31
Freight service car miles (including mixed and special service)	102,783	5,036
Passenger service car miles (including mixed and special service)	23,610	403

* Does not include Caboose Car Mileage.
** Includes Sleeping and Parlor Car surcharge.

† Includes "Exclusive work equipment."
Italics indicate decrease.

TRAFFIC AND OPERATING STATISTICS—*Concluded*

	Year Ended Dec. 31, 1926	Increase or Decrease
AVERAGES PER REVENUE TRAIN MILE		
Operating revenues.....	\$5.34	\$0.21
Operating expenses.....	4.08	0.12
Net operating revenue.....	\$1.26	\$0.09
Loaded freight car miles—freight trains.....	26.75	1.26
Loaded freight car miles—mixed trains.....	3.00	1.17
Empty freight car miles—freight trains.....	10.86	.68
Empty freight car miles—mixed trains.....	1.35	.31
Passenger train car miles—passenger trains.....	5.47	.11
Passenger train car miles—mixed trains.....	1.51	.12
AVERAGES PER REVENUE LOCOMOTIVE MILE		
Train miles—freight trains.....	.79	.01
Car miles—freight trains.....	30.60	1.46
Train miles—passenger trains.....	.94	—
Car miles—passenger trains.....	5.32	.23
Train miles—mixed trains.....	.95	.02
Car miles—mixed trains.....	5.72	1.26
Train miles—special trains.....	.92	.01
Car miles—special trains.....	5.32	.45
*LOCOMOTIVE MILEAGE		
Freight service.....	7,311,667	258,456
Passenger service.....	9,165,963	774,836
Mixed service.....	63,314	26,029
Special service.....	46,438	640
Train switching.....	649,490	21,899
Yard switching.....	4,363,209	143,748
Work service.....	629,499	198,619
Total locomotive miles.....	22,529,580	696,365
TRAIN MILEAGE		
Freight service.....	5,782,031	219,935
Passenger service.....	9,368,139	364,241
Mixed service**.....	60,398	23,350
Special service.....	44,096	1,118
Work service.....	505,111	194,423
Total train miles.....	15,759,775	411,985
CAR MILEAGE		
Freight-Train Car Miles:		
Loaded.....	154,660,259	1,672,133
Empty.....	62,792,174	1,689,665
Exclusive work equipment.....	205,428	2,584
Caboose.....	6,073,681	213,968
Total freight-train car miles.....	223,731,542	3,145,246
Passenger-Train Car Miles:		
Passenger.....	26,850,809	1,152,778
Sleeping and parlor.....	6,791,639	441,323
Dining.....	406,654	74,515
Other.....	17,162,833	350,016
Total passenger-train car miles.....	51,211,935	986,956
Mixed-Train Car Miles:		
Freight—Loaded.....	181,074	167,869
Freight—Empty.....	81,359	57,990
Exclusive work equipment.....	789	573
Caboose.....	8,047	5,630
Passenger carrying.....	78,881	35,126
Other passenger.....	12,314	9,952
Total mixed-train car miles.....	362,464	265,880
Special-Train Car Miles:		
Freight service.....	78,910	16,989
Passenger service.....	170,588	3,084
Total special-train car miles.....	249,498	20,073
Total transportation service.....	275,555,439	1,912,483

* Includes 232, 877 electric locomotive miles.

** Proportioned to Freight and Passenger Service, in computing Train Mile Statistics, on basis of freight and passenger car miles in mixed trains.

Italics indicate decrease.